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## **The Western Hemisphere: 2007 in Review and Looking Ahead to 2008**

**By**

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I wanted to talk a bit about what we see as our accomplishments and our America's policy in the year 2007 and then with a view to the future, talk a bit about our priorities and goals as we look deeper into 2008 and then of course, take your questions. We have distributed to all of you an accomplishments, a sheet called "2008 Historic Commitment, Positive Engagement." It is an effort to encapsulate what we think are most of our major accomplishments. It is not an all-inclusive document. We have been very active in 2007. There is a lot that we have done in terms of the visits, in terms of initiatives and in terms of our diplomatic and political outreach. But it was an effort to pull together some of the most significant accomplishments and arrange them in a way that makes sense in terms of the President's larger social justice agenda in the region. And you will note that they are captured in four headings which relate to the principle themes or pillars of our America's policy, which are consolidating democracy and promoting prosperity, investing in people and protecting the security of a democratic state. And as you look through them, you will see that so many of them are concentrated in the promoting prosperity and investing in people category. But there are some very, important initiatives in the protecting the democratic state category.

And again, as I mentioned, these link to the President's larger social justice agenda, an agenda that he outlined in his March 5, 2008 speech before the Hispanic Chamber of Commerce just before his trip to the region. And again, the purpose of this effort is not only to create economic opportunity, but to work with countries in the region. Invest in people, invest in national infrastructure so that people have access to this opportunity, that they have an ability to begin to tap into the wealth that is being created in the Americas and participate as citizens in their countries, not just politically and not just in terms of voting and economically and socially. And ultimately this is how we use our economic policy, how we use our trade policy, how we use our commercial engagement to address the larger question of poverty and larger question of inequality and especially the issue of social exclusion. As we look at the different facets of our economic policy in the region, this is really about building nations through economies and using the creation of sustainable job growth, especially in the formal economy to make people meaningful members of the states and the communities in which they live.

And very briefly, we begin with our free trade agreements. And as you know, this is an administration that has concluded ten free trade agreements since taking office and effectively has built a string of free trade agreements that stretch along the Pacific coast of the Americas from Canada to Chile. It encompasses two-thirds of the gross domestic product (GDP) of the Americas, excluding the United States, it is more, if you include the United States than two-thirds of the GDP of the Hemisphere. One-third of our global trading capacity and which creates an important strategic platform in the region, not just to share ideas about free markets and democracy, but also an important platform to face across the Pacific to some of the most dynamic economies of the world, but also a platform that allows us to engage in a more coherent discussion with the rest of the region about trade.

The Millennium Challenge Corporation which is again a long standing initiative of this Administration, for which we have begun disbursing the nearly \$1 billion we have committed to this hemisphere in countries in Central America, such as Nicaragua, Honduras and El Salvador, but

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also those countries with which we have threshold programs, such as Guyana, Peru and Paraguay. Looking at debt relief, something that the President highlighted in his speech of March 5, 2008, the President's G-8 (United Kingdom, France, Germany, Italy, Japan, Canada, Russia, and the United States) Initiative, which was taken into the International Monetary Fund (IMF) and the World Bank, was extended to the Inter-American Development Bank and more than \$3.4 billion in debt relief was granted to the poorest countries of the region.

Our biofuels partnership with Brazil, which we consider to be an important step forward in our effort to democratize energy and provide for the countries and the peoples of the America. Includes alternatives that are environmentally friendly, but which also create energy sectors and national energy capacity in countries, especially in Central America and the Caribbean. Countries that do not have access to petroleum and gas resources, but do have viable economic agricultural sectors from which energy sectors can be built.

And of course, the promoting small business initiative and the Latin American and Caribbean infrastructure development programs also come out of the President's trip to the region. This is all about again, building the and creating capacity in countries to create jobs and create jobs that are sustainable through promotion of small and medium size enterprises. Working with countries to build national infrastructures and help them gain access to international capital markets for infrastructure projects. And in terms of investing in people, initiatives such as the deployment of the U.S. Naval vessel, the Comfort, to the region which treated nearly 100,000 patients. The healthcare training center established by our Secretary of Health and Human Services, Michael Leavitt in Panama and built up of memorandums of understandings with all of the Central American countries, was a big step forward in improving healthcare. Especially in rural areas, as we reach out to rural healthcare promoters and provide them access to up-to-date training. Our partnership for Latin American youth and the extension of scholarships with \$75 million to many thousands of students around the region. A broader commitment to the people of Cuba through increased democracy spending, work for partnership for breast cancer awareness and research in the Americas, a program which we have launched in South America and a program we will soon be launching elsewhere in the region.

The U.S. and Chile Equal Opportunity Scholarship Program which from our point of view is an innovative program in the sense that it builds off a willingness and a vision in Chile to bring Chilean scholars to the United States to study science, engineering and technology fields. But going beyond the usual self-selecting nature of many of these scholarships, reaching into those parts of Chilean society that normally would not have access to such scholarships. They do not speak English so we are providing English language training for these students. And the first batch of students have already been identified and will be on their way to the United States soon.

Broadly, as we look at protecting the democratic state, one of the most important initiatives done in 2007 was the announcement of the Merida Initiative which, as you know, is part of a larger \$1.4 billion, three-year effort to help the countries of Mexico and Central America to build their capacity to fight organized crime and drug trafficking. The President in the 2008 supplemental request asked for \$550 million, an additional request we made in our 2009 budget and then of course, looking ahead to the third year of the Merida Initiative in the 2010 budget.

We also announced a strategy to combat gangs. We began a U.S. dialogue, a security dialogue with Central American countries. The first of its kind which we believe has played an important role in building a regional understanding about security issues and creating a series of priorities and a security agenda for Central America. This strategy is unique and will allow us to engage with the Central Americans I think in a coherent and comprehensive fashion. We are also continuing our progress in Colombia. We look forward to continuing engagement in Colombia. And then of course, continuing our development in the Security and prosperity partnership with North America

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and Mexico. In particular, the announcement of a North American plan to fight pandemics in Avian influenza.

From our point of view, 2007 really did represent a year of engagement, as we have called it, not only at the presidential level, but at the cabinet level. I think just about every cabinet Secretary, with maybe the exception of the Veterans Administration, has been in the region in one form or another. Several cabinet secretaries, such as Secretary Paulson, Secretary Gutierrez, and Secretary Rice have been in the region numerous times. This highlights kind of the level of dialogue, the level of cooperation that is continuing. And as we look to 2008, we really hope to make this a year of partnership. We hope this to be a year in which we consolidate what we achieved through our engagement in 2007. We also want to highlight the sustainability of our policy, to highlight the bipartisan nature of it and to show that the U.S. understands that in order to maintain influence in the region, it has to be present and that we have to be present in a way which is helpful to the governments of the region.

We need to understand their problems, understand the issues that they are facing, the challenges that they are facing and be prepared to adjust our assistance programs. Our engagement in international financial institutions, our political and diplomatic engagement needs to help these countries be successful. Because ultimately, the larger social justice agenda of the Bush Administration is really about cementing this linkage between democracy and development. It shows that democracy can indeed deliver the goods, but also that development can be democratic. This is a unique challenge. No other part of the world has taken on this kind of challenge, but the Americas have. And it is a hugely important time for the U.S. Much is happening around the world and these issues sometimes drowned out what has been happening in the Americas. The fact of the matter is we are engaged in the Americas, we are committed to the Americas and we believe that in the coming year, we are going to be able to show that this is a commitment that is enduring.